

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

MAIL PROCESSING NETWORK RATIONALIZATION  
SERVICE CHANGES, 2012

Docket No. N2012-1

**APPLICATION OF THE UNITED STATES POSTAL SERVICE FOR NON-PUBLIC  
TREATMENT OF LIBRARY REFERENCE USPS-LR-N2012-1/NP27**  
(May 14, 2012)

In accordance with 39 C.F.R. § 3007.21, the United States Postal Service hereby submits the attached application for non-public treatment of library reference USPS-LR-N2012-1/NP27, filed today in this proceeding.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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## **APPLICATION OF THE UNITED STATES POSTAL SERVICE FOR NON-PUBLIC TREATMENT OF LIBRARY REFERENCE**

In accordance with 39 C.F.R. § 3007.21 and Order No. 225,<sup>1</sup> the United States Postal Service (Postal Service) hereby applies for non-public treatment of certain data filed under seal with the Commission. The materials covered by this application consist of data on the estimated annual mileage, annual cost, and cost per mile expected for routes associated with specific AMPs. These data were derived from AMP studies provided in library reference USPS-LR-N2012-1/NP16 and were summarized by the Postal Regulatory Commission in an Excel spreadsheet labeled “AMP Studies Transportation.” This spreadsheet was filed by the Postal Regulatory Commission under seal. See PRC-LR-N2012-1/NP1 (“Area Mail Processing (AMP) Studies Transportation Changes”). In response to Question 6 of Presiding Officer’s Information Request No. 7, the Postal Service has modified the spreadsheet and is filing it today under USPS-LR-N2012-1/NP27.

By operation of 39 U.S.C. § 410(c)(2), information of a commercial nature, which under good business practice would not be publicly disclosed, is not required to be disclosed to the public. The Commission may determine the appropriate level of confidentiality to be afforded to such information after weighing the nature and extent of the likely commercial injury to the Postal Service against the public interest in maintaining the financial transparency of a government establishment competing in commercial markets. 39 U.S.C. § 504(g)(3)(A). Because the requested information filed non-publicly in this docket falls within the scope of information not required to be

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<sup>1</sup> PRC Order No. 225, Final Rules Establishing Appropriate Confidentiality Procedures, Docket No. RM2008-1, June 19, 2009.

disclosed publicly, the Postal Service asks the Commission to support its determination that these materials are exempt from public disclosure and grant its application for their non-public treatment.

**(1) The rationale for claiming that the materials are nonpublic, including the specific statutory basis for the claim, and a statement justifying application of the provision(s);**

The data designated as nonpublic consist of commercial information revealing, for each route reviewed under selected AMP studies, the proposed annual mileage, annual cost, and cost per mile expected upon implementation of the AMP proposal. Based on its long-standing and deep familiarity with postal and communications business and markets generally, and its knowledge of many firms, including competitors, the Postal Service does not believe that any commercial enterprise would voluntarily publish these route-specific data. In the Postal Service's view, this information would be exempt from mandatory disclosure pursuant to 39 U.S.C. § 410(c)(2) and 5 U.S.C. § 552(b)(3) and (4).<sup>2</sup>

**(2) Identification, including name, phone number, and email address for any third-party who is known to have a proprietary interest in the materials, or if such an identification is sensitive, contact information for a Postal Service employee who shall provide notice to that third party;**

None.

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<sup>2</sup> In appropriate circumstances, the Commission may determine the appropriate level of confidentiality to be afforded to such information after weighing the nature and extent of the likely commercial injury to the Postal Service against the public interest in maintaining the financial transparency of a government establishment competing in commercial markets. 39 U.S.C. § 504(g)(3)(A). The Commission has indicated that "likely commercial injury" should be construed broadly to encompass other types of injury, such as harms to privacy, deliberative process, or law enforcement interests. PRC Order No. 194, Second Notice of Proposed Rulemaking to Establish a Procedure for According Appropriate Confidentiality, Docket No. RM2008-1, Mar. 20, 2009, at 11.

**(3) A description of the materials claimed to be nonpublic in a manner that, without revealing the materials at issue, would allow a person to thoroughly evaluate the basis for the claim that they are nonpublic;**

AMP studies conducted by the Postal Service contain data that show the current and proposed costs for Postal Vehicle Service (“PVS”) and Highway Contract Route (“HCR”) transportation. With respect to HCR transportation, AMP studies provide the following information for each “losing” and “gaining” facility under review:

1. Route Numbers
2. Current Annual Mileage (route-specific)
3. Current Annual Cost (route-specific)
4. Current Cost Per Mile (route-specific)
5. Proposed Annual Mileage (route-specific)
6. Proposed Annual Cost (route-specific)
7. Proposed Cost Per Mile (route-specific)
8. HCR Annual Savings
9. Total HCR Transportation Savings

The current and proposed annual cost (Items 3 and 6) for each route is calculated by multiplying the annual mileage by the cost per mile.

The Postal Service designates as non-public all route-specific data reflecting the proposed annual mileage, proposed annual cost, and proposed cost per mile for each “losing” and “gaining” facility that is discussed in the AMP studies and summarized in the spreadsheet labeled “AMP Studies Transportation,” filed under USPS-LR-N2012-1/NP27.

**(4) Particular identification of the nature and extent of commercial harm alleged and the likelihood of such harm;**

If the redacted information or information of a similar character or level of disaggregation were to be disclosed publicly, the Postal Service considers that it is quite likely that it would suffer commercial harm. This information is clearly commercially sensitive to the Postal Service as a contractor of transportation services provided by third-parties.

**(5) At least one specific hypothetical, illustrative example of each alleged harm;**

**Identified harm:** Public disclosure of the route-specific data in library reference USPS-LR-N2012-1/NP27 would have an adverse impact on the bargaining position of the Postal Service when it solicits bids for HCR transportation services.

**Hypothetical:** The Postal Service solicits bids from third-party transportation service providers for routes that are listed in the “AMP Studies Transportation” spreadsheet. A potential service provider's representative obtains access to the data in library reference USPS-LR-N2012-1/NP27. These data provide the representative with insight regarding the amount that the Postal Service may be willing to pay for transportation services on the specific routes listed in the spreadsheet. When responding to the Postal Service's solicitation, the provider uses this insight to develop a bid that is less competitive from the Postal Service's perspective than would have been possible if such information were not publicly available.

**(6) The extent of protection from public disclosure deemed to be necessary;**

The Postal Service maintains that the materials filed non-publicly should be withheld from persons involved in the negotiating and bidding processes for the provision of HCR transportation services to the Postal Service, as well as their consultants and attorneys.

**(7) The length of time deemed necessary for the nonpublic materials to be protected from public disclosure with justification thereof; and**

The Commission's regulations provide that nonpublic materials shall lose nonpublic status ten years after the date of filing with the Commission, unless the Commission or its authorized representative enters an order extending the duration of that status. 39 C.F.R. § 3007.30.

**(8) Any other factors or reasons relevant to support the application.**

None.

***Conclusion***

For the foregoing reasons, the Postal Service requests that the Postal Regulatory Commission grant its application for nonpublic treatment of the above-described materials appearing in library reference USPS-LR-N2012-1/NP27.